

## **ANALYSIS**

This ordinance amends Title 2 - Administration, to extend the authority of the Director of Health Services to reduce patient account liabilities in cases where the County has a contractual obligation to pay for the care but also has reimbursement or subrogation rights when necessary to maximize the Department of Health Services net collections. It also extends the current restrictions on the Director's authority to situations where the outpatient services were the subject of special outpatient care agreements.

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ADL: vn

09/27/05 Requested  
09/29/05 Revised

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Title 2 - Administration of the Los Angeles County Code to authorize Director of Health Services to reduce patient account liabilities when necessary to maximize the Department of Health Services net collections.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 2.76.046 is hereby amended to read as follows:

**2.76.046 Director -- Reducing patient account liabilities.**

A. Notwithstanding the provisions of Section 2.52.040 relating to the duties of the treasurer, and subject to the limitations and exceptions set forth in subparagraphs B and E below, the director of the department of health services shall have the authority to reduce the amount of liability for the following accounts, ~~any account which results from the provision of medical care in county medical and health facilities~~, where the anticipated cost of administering a collection procedure would exceed the amount of revenue which might reasonably be anticipated would be recovered.:

(i) Any account which results from the provision of medical care in county medical and health facilities; or,

(ii) Any account which results from medical care provided by a third party for which the county is contractually obligated to pay and for which the county has reimbursement or subrogation rights.

The authority set forth in this provision shall be exercised only on the condition that the director undertakes appropriate collection efforts as to the accounts specified above and on the further condition that those collection efforts are undertaken in accordance with written policies and procedures;

B. The director may reduce the amount of liability for any account by the greater of:

- (i) \$15,000; or
- (ii) \$75,000 or 50% of the account balance, whichever is less;

C. The director shall report to the board of supervisors, in writing and on a quarterly basis, the amount of liability reduced for each account for that quarter and the reason(s) for such reduction for each account;

D. In his discretion, the director shall have the authority to permit the treasurer to exercise all or any part of the authority set forth in this Section 2.76.046 when the director believes such action to be in the best interests of the department of health services;

E. The authority granted in this provision shall not extend to any account which is the subject of litigation in which the county is a party or for which a claim has been filed with the county pursuant to the California Tort Claims Act, nor shall it apply where the director or his designee has negotiated patient-specific payment rates for inpatient and/or outpatient services and entered into single-instance, per-admission and/or per course of outpatient care agreements with private payors for the provision of medical care in county medical and health facilities.